

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CAMBRIDGE PLACE INVESTMENT  
MANAGEMENT INC.,

Plaintiff,

Civil Action No. 10-cv-11376-NMG

V.

MORGAN STANLEY & CO., INC., et al.,

Defendants.

**CORPORATE DISCLOSURE STATEMENT OF  
DEFENDANT NOVASTAR MORTGAGE FUNDING CORPORATION**

Pursuant to Rule 7.1 of the Federal Rules of Civil Procedure and Local Rule 7.3, Defendant NovaStar Mortgage Funding Corporation hereby certifies that it is a wholly owned subsidiary of NovaStar Financial, Inc. NovaStar Financial, Inc. is a publicly traded corporation. No publicly held corporation owns 10% or more of the stock of NovaStar Financial, Inc.

Respectfully submitted,

NOVASTAR MORTGAGE FUNDING  
CORPORATION,

By its attorneys,

/s/ Wm. Shaw McDermott

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September 16, 2010

**CERTIFICATE OF SERVICE**

I hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants, by first-class mail, postage prepaid, on September 16, 2010.

/s/ Wm. Shaw McDermott

Wm. Shaw McDermott